

NOTICE OF RIGHT TO RESCIND

Borrower's Right to Cancel

NOTE: This form is used by a mortgage loan originator (MLO), when processing an equity mortgage or refinance on the borrower's principal residence, to notify the borrower of their right to cancel the transaction within three business days.

FACTS:

1. This notice is given in a loan transaction under an application or loan numbered _____,
 - 1.1 between you, _____, as the Borrower,
 - 1.2 and _____, as the Lender,
 - 1.3 in which _____ is the mortgage loan Broker,
 - 1.4 for the amount borrowed of \$_____, which is or will be secured by
 - 1.5 property you own located at _____.

NOTICE:

2. You are entering into a transaction which will result in a lien on your home. You have a legal right under federal law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last:
 - 2.1 the date of this transaction which is _____, 20_____;
 - 2.2 the date you received your Truth-in-Lending disclosures [See **RPI** Form 223]; or
 - 2.3 the date you received this notice of your right to cancel.
3. If you cancel the transaction, the lien is also cancelled.
 - 3.1 Within 20 calendar dates after we receive your notice, we must take steps necessary to reflect the fact that the lien on your home has been cancelled, and we must return to you any money or property you have given to us or anyone else in connection with this transaction.
4. You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property.
 - 4.1 If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of your money or property within 20 calendar days of your offer, you may keep it without further obligation.

How to Cancel:

5. If you decide to cancel this transaction, you may do so by notifying us in writing, at (creditor's name and business address) _____
6. You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing the cancellation provision below.
 - 6.1 Keep one copy of this notice as it contains important information about your rights.
7. If you cancel by fax or mail, you must send this notice no later than midnight of _____, 20_____ (or midnight of the third business day following the latest of the three events listed above at §2).
 - 7.1 If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than the time stated above.

Borrower acknowledges receipt of two copies of this notice.

Date: _____, 20_____

Borrower's Signature: _____ Borrower's Signature: _____

Notice of Rescission by Borrower:

I hereby cancel this transaction.

Date: _____, 20_____

Borrower's Name: _____ Signature: _____

Borrower's Name: _____ Signature: _____